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# Transcript of James Dondero, Volume 2

**Date:** May 12, 2021

**Case:** UBS Securities LLC, et al. -v- Highland Capital Management, L.P.

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## Transcript of James Dondero, Volume 2

1 (268 to 271)

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1	IN THE UNITED STATES BANKRUPTCY COURT	1	A P P E A R A N C E S
2	FOR THE NORTHERN DISTRICT OF TEXAS	2	
3	DALLAS DIVISION	3	ON BEHALF OF PLAINTIFFS:
4	In re : Chapter 11	4	ANDREW CLUBOK, ESQUIRE
5	HIGHLAND CAPITAL MANAGEMENT, L.P., Case No:	5	SARAH TOMKOWIAK, ESQUIRE
6	Debtor : 19-34054-SGJ11	6	KATHRYN GEORGE, ESQUIRE
7	-----:	7	LATHAM & WATKINS LLP
8	UBS SECURITIES LLC and UBS AG : Adversary No.	8	555 Eleventh Street, NW
9	LONDON BRANCH, : 21-03020-sgi	9	Suite 1000
10	Plaintiffs, :	10	Washington, District of Columbia 20004
11	vs. :	11	(202) 637-2200
12	HIGHLAND CAPITAL MANAGEMENT, L.P.:	12	
13	Defendant. :	13	
14	-----X	14	ON BEHALF OF DEFENDANT-HIGHLAND CAPITAL MGMT.
15		15	ROBERT FEINSTEIN, ESQUIRE
16	CONTINUED DEPOSITION OF JAMES DONDERO	16	JOHN MORRIS, ESQUIRE
17	VOLUME II	17	GREGORY DEMO, ESQUIRE
18	APPEARING REMOTELY FROM DALLAS, TEXAS	18	JEFFREY POMERANTZ, ESQUIRE
19	WEDNESDAY, MAY 12, 2021	19	PACHULSKI STANG ZIEHL & JONES
20	9:30 A.M. EST	20	780 Third Avenue
21		21	34th Floor
22	Job No.: 372911	22	New York, New York 10017
23	Pages 268 - 344	23	(212)561-7700
24	Reported by: Adrienne Mignano, RPR	24	
25	Appearing remotely	25	
	269		271
1	Continued deposition of JAMES DONDERO, held	1	APPEARANCES (Continued)
2	via Zoom videoconferencing, pursuant to Notice, before	2	
3	Adrienne M. Mignano, a Registered Professional	3	
4	Reporter and a Notary Public in and for the State of	4	ON BEHALF OF WITNESS
5	New York.	5	CLAY TAYLOR, ESQUIRE
6		6	BONDS ELLIS EPPICH SCHAFER JONES, LLP
7		7	420 Throckmorton Street
8		8	Suite 1000
9		9	Fort Worth, Texas 76102
10		10	(817)405-6900
11		11	
12		12	
13		13	ALSO PRESENT:
14		14	Drew Halton - Videographer
15		15	Joshua Tubbs - Remote Technician
16		16	
17		17	
18		18	
19		19	
20		20	
21		21	
22		22	
23		23	
24		24	
25		25	

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2				
3	EXAMINATION OF JAMES DONDERO	PAGE		
4	By Mr. Clubok	275		
5	By Mr. Taylor	340		
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7				
8	E X H I B I T S			
9	(Not Attached to the Transcript)			
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12	Highland CDO Opportunity			
13	Master Fund and Sentinel			
14	Reinsurance dated			
15	August 24, 2017			
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18	Sheet			
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20	Helen Kim			
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1	REMOTE TECH: Thank you to everyone for			
2	attending this proceeding remotely, which we			
3	anticipate will run smoothly. Please remember to			
4	speak slowly and do your best not to talk over one			
5	another.			
6	Please be aware we are recording this			
7	proceeding for back-up purposes. Any			
8	off-the-record discussions should be had away from			
9	the computer. Please remember to mute your mic			
10	for those conversations.			
11	Please have your video enabled to help			
12	the reporter identify who is speaking. If you are			
13	unable to connect with video and are connecting			
14	via phone, please identify yourself each time			
15	before speaking.			
16	I apologize in advance for any			
17	technical-related interruptions. Thank you.			
18	THE VIDEOGRAPHER: Here begins Volume			
19	II, Tape Number 1 in the videotaped deposition of			
20	James Dondero in the matter of UBS Securities,			
21	LLC, et al., versus Highland Capital Management,			
22	LP, in the U.S. Bankruptcy Court, Northern			
23	District of Texas, Dallas Division, Chapter 11,			
24	Case Number 19-34054-SGJ11, and Adversary			
25	Proceeding Number 21-03020-SGJ.			
		275		
1	Today's date is May 12, 2021. Time on			
2	the video monitor is 9:34 a.m. Eastern. The			
3	videographer today is Drew Halton, representing			
4	Planet Depos. All participants are attending			
5	remotely.			
6	Would counsel please voice identify			
7	themselves and state whom they represent.			
8	MR. CLUBOK: On behalf of UBS, Andrew			
9	Clubok, Sarah Tomkowiak and Kathryn George of			
10	Latham & Watkins, LLP.			
11	MR. TAYLOR: On behalf of the deponent,			
12	Jim Dondero, Clay Taylor of Bonds Ellis Eppich			
13	Schafer & Jones, LLP.			
14	MR. FEINSTEIN: On behalf of the			
15	defendant, Highland Capital Management, you have			
16	got myself, Robert Feinstein; my colleagues,			
17	Jeffrey Pomerantz and Greg Demo.			
18	THE VIDEOGRAPHER: The court reporter			
19	today is Adrienne Mignano, representing Planet			
20	Depos.			
21	Would the reporter please swear in the			
22	witness.			
23				
24				
25				

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1	Opportunity Fund. I just highlighted it for you.	1	of all, you signed this document, correct?
2	Do you see that?	2	<b>A Yes.</b>
3	<b>A Yes.</b>	3	Q And just looking at it on its face, are
4	Q And then there was another \$599,000	4	you saying you have no way to tell whether or not
5	that's marked "Re: Survios interest." It's also	5	the cash that's reflected in what I have currently
6	referenced on this same page, right?	6	highlighted that says \$2.399 million promissory
7	<b>A Yes.</b>	7	note, Dugaboy, and cash of 599, and has a total of
8	Q And that adds up to about \$1.1 million,	8	2.9995 -- you have no idea one way or the other
9	correct?	9	whether that total, which includes about 600,000
10	<b>A Yes.</b>	10	cash is separate from this other entry that says
11	Q And then there is also a \$7.7 million	11	7.779 in cash?
12	entry for cash that's part of the transfer from	12	That's what you're testifying to?
13	Highland CDO Opportunity Master Fund to pay for	13	<b>A That's correct.</b>
14	the premium, correct?	14	Q And do you think that that cash also --
15	<b>A Yes.</b>	15	you have no idea if that cash is separate and
16	Q And that 7.7 added to 1.1 gets you	16	distinct from this 2.349 million that is listed
17	about \$8.8 million, correct?	17	under Highland CDO Opportunity Fund?
18	<b>A If you're asking me does that</b>	18	<b>A That appears to be separate. But,</b>
19	<b>addition -- I can't testify whether they should be</b>	19	<b>again, I'm not the -- I'm not the accountant.</b>
20	<b>added together or they aren't included already in</b>	20	Q Right. And you made no effort to
21	<b>that number, but if you're asking does, you know,</b>	21	consider the values of the assets that you were
22	<b>7 million and change plus one and change equal</b>	22	signing off to be transferred in satisfaction of
23	<b>eight and change, the math is correct.</b>	23	25 million premium; is that correct?
24	Q Okay. And then there is another entry	24	MR. TAYLOR: Objection. Form. The --
25	for cash under CDO Opportunity Fund on the same	25	Q It -- okay. Let me ask it again.
	277		279
1	page. It's about 2.3 million, right?	1	Fair to say that prior to signing off
2	<b>A Yes.</b>	2	on the transfer of all these assets reflected on
3	Q And so 8.8 plus 2.3 is a little -- is	3	Schedule A in satisfaction of the premium for the
4	over 11.1, either 11.1 to 11.2 million in cash	4	legal liability insurance policy we have been
5	total reflected on this page with the four	5	discussing, you made no effort to assess the
6	separate entries, correct?	6	actual fair market value of the total assets,
7	<b>A Same answer. If -- your math is</b>	7	7 correct?
8	<b>correct in terms of adding those numbers. But</b>	8	<b>A Yes. I -- that's correct. I relied on</b>
9	<b>whether or not they should be added or aren't</b>	9	<b>Scott Ellington, you know. And I think what this</b>
10	<b>already included in this -- like in the 7.7, I</b>	10	<b>deposition has shown is, you know, I had a</b>
11	<b>I can't testify to. I don't know.</b>	11	<b>different general understanding, but the</b>
12	Q Well, when we look up we see that there	12	<b>transaction morphed over time.</b>
13	is one entry that says, Highland Gemini Program	13	Q You, by the way, are the -- you are an
14	(Pollux) \$2.399 million promissory note and cash	14	owner of Gov Re, correct?
15	of 599,000 - Re: Survios interest. And there is a	15	MR. TAYLOR: Objection. Form.
16	total there of 2.999995.	16	Q Sorry. You are an owner of Governance
17	Do you see that?	17	Re, Limited, correct?
18	<b>A I do, but I'm just saying that it is</b>	18	<b>A I believe so.</b>
19	<b>not clear to me that the 599 is not included in</b>	19	Q And so where it says there is this
20	<b>the cash below. I'm not the accountant. I -- and</b>	20	\$2.157 million promissory note from Governance Re,
21	<b>these statements aren't clear, so I don't want</b>	21	Limited, that is an affiliated entity to you,
22	<b>to --</b>	22	22 correct?
23	Q It --	23	<b>A I believe so.</b>
24	<b>A I don't want to testify to that.</b>	24	Q How much ownership do you have in
25	Q Looking at this document -- well, first	25	Governance Re, Limited?

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1    A <b>I do not know.</b>		1    general awareness other than a general	
2    Q    Roughly.		2    understanding that they reviewed numerous ones.	
3    A <b>I would guess -- I would guess -- I do</b>		3    Q    You say they review -- you say they --	
4 <b>not know. I -- you know, generally, most of those</b>		4    do you have a specific awareness that they have	
5 <b>entities, old entities, are 75 percent me, 25</b>		5    reviewed numerous other legal liability insurance	
6 <b>percent Marco, but I don't know for sure.</b>		6    policies to consider whether to issue them?	
7    Q    Okay. Your -- and in terms of the		7    A <b>Yeah. Yes. I mean, the answer is yes.</b>	
8    Dugaboy Investment Trust, you are an owner of		8    They --	
9    that, right?		9    Q    Okay. Can you name a single one that	
10   A <b>It is a -- it is a trust. I think I'm</b>		10   Sentinel Re has ever reviewed?	
11 <b>a beneficial owner until my death.</b>		11   A    I can't remember the names, but there	
12   Q    And are you the sole beneficial owner		12   were judgments out of Canada that they funded or	
13   until your death of the Dugaboy Investment Trust?		13   were considering structuring policies on that they	
14   A <b>It is -- I don't -- I believe I'm the</b>		14   were working on as part of the SAS platform.	
15 <b>sole beneficiary. It is not -- I'm not the owner,</b>		15   I know there was -- I know there was	
16 <b>but I'm the sole beneficiary, I believe, until my</b>		16   numerous funding or -- of litigation or sharing of	
17 <b>death, yes.</b>		17   litigation in multiple cases around the world on	
18   Q    Okay. You're the sole beneficiary of		18   the SAS platform, and they were considering -- and	
19   the Dugaboy Investment Trust until your death,		19   they would consider doing some of the funding via	
20   correct?		20   insurance products through Sentinel.	
21   A <b>I believe so.</b>		21   So I know they -- I know they were -- I	
22   Q    And so that would also be an affiliated		22   know they looked at and considered similar-type	
23   entity to you in context of this transaction,		23   structures. But, again, I wasn't the person	
24   correct?		24   directly involved with that stuff. That was	
25   A <b>Yes.</b>		25   all --	
	281		283
1    Q    Do you -- I asked you before about		1    Q    How do you know that they did that?	
2    Sentinel Re's history of issuing policies. And we		2    A <b>Because I would -- it would be</b>	
3    know now that the insurance policy at issue in		3 <b>conversations with Ellington.</b>	
4    this case is entitled A Legal Liability Insurance		4    Q    So Scott Ellington told you in words or	
5    Policy.		5    substance that Sentinel Reinsurance considered on	
6    My question to you is: In the history		6    numerous occasions entering into a legal liability	
7    of Sentinel Re, are you aware of them ever issuing		7    insurance policy that is similar to the one that	
8    a legal liability insurance policy other than the		8    is at issue in this case?	
9    one that we have been discussing in this		9    A <b>Yes.</b>	
10   deposition?		10   Q    And the ones you specifically remember	
11   A <b>I don't have specific awareness.</b>		11   in connection with that answer relate to some	
12   Q    Do you have general awareness of		12   Canadian judgment?	
13   Sentinel Re ever issuing a legal liability		13   A <b>Yeah. I mean, that's all I remember.</b>	
14   insurance policy other than the one that is at		14   But, yeah, there was -- there were judgments out	
15   issue in this case?		15   of Canada and cases out of Canada that they were	
16   A <b>My general awareness is they evaluated</b>		16   considering structuring something similar, but --	
17 <b>and considered similar-type policies, but I'm</b>		17   Q    And were those --	
18 <b>not -- I don't have specific awareness that they</b>		18   A <b>-- I don't know the specifics.</b>	
19 <b>consummated other ones.</b>		19   Q    Were those judgments in any way	
20   Q    Do you have any awareness, general or		20   involving any sort of affiliated entity?	
21   otherwise, that they have ever actually issued		21   A <b>No.</b>	
22   another legal liability insurance policy other		22   Q    What -- who were they involving?	
23   than the one in this case; yes or no?		23   A <b>I don't know, but it wasn't an -- it</b>	
24   A <b>I don't know. I don't have specific --</b>		24 <b>wasn't an affiliated entity.</b>	
25 <b>I don't have specific awareness or other -- or</b>		25   Q    And there was -- was this one occasion	

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	284	1 where they considered issuing, according to you, a 2 legal liability insurance policy, or is it many 3 different, separate occasions?  4 <b>A My recollection is that it was at least</b> 5 <b>several, but...</b>  6 Q And all related to Canadian judgments? 7 <b>A No. I -- no. That's the one I</b> 8 <b>remember, but I know there were -- there was a</b> 9 <b>lightbulb case out of the U.S. that they were</b> 10 <b>considering, and they were trying to come up with</b> 11 <b>creative structures. I -- there were -- but I</b> 12 <b>wasn't involved in the details or the assessments</b> 13 <b>of those.</b>  14 Q And was the lightbulb case before or 15 after this legal liability insurance policy was 16 issued?  17 <b>A I don't know.</b> 18 Q Was the Canadian judgment before or 19 after this legal liability insurance policy was 20 issued?  21 <b>A I don't know.</b> 22 Q When was the last time you recall ever 23 hearing that Sentinel Reinsurance was considering 24 issuing a legal liability insurance policy other 25 than the one that is at issue in this case?	1 that it was owned by offshore entities, but there 2 was some participation. 3 Q Okay. 4 <b>A There was some participation that I had</b> 5 <b>in it.</b> 6 Q You have roughly 70 percent 7 participation in the economic benefits of SAS; 8 isn't that true? 9 <b>A I don't know exactly, but I -- I don't</b> 10 <b>know exactly, but, I mean, that would seem</b> 11 <b>reasonable to me.</b> 12 Q Okay. And SAS is in the business of 13 funding litigation, not insuring against 14 litigation losses, correct? 15 <b>A I think funding and joint venturing</b> 16 <b>litigation is in a broad sense, which sometimes</b> 17 <b>includes structures that are insurance or resemble</b> 18 <b>insurance.</b> 19 Q Okay. So the only other policies that 20 you believe SAS -- sorry. 21 The only other insurance policies that 22 you can think of that Sentinel Re ever considered 23 issuing in connection with the legal world, or 24 legal liability, I should say, relates to deals 25 that were being considered by SAS, another
	285	1 <b>A I don't know.</b> 2 Q Roughly. 3 <b>A I don't know. I don't remember. Years</b> 4 <b>ago, but I don't remember when.</b> 5 Q You just testified that you believed 6 that the -- sorry. 7 You just testified that when you heard 8 about the Sentinel Reinsurance potential policies 9 relating to the Canadian judgments, they were 10 working on as part of the SAS platform, is what 11 you said. 12 What did you mean by that? 13 <b>A I believe the -- most of the litigation</b> 14 <b>funding or joint venturing of litigation that</b> 15 <b>Scott was working on was done off the SAS</b> 16 <b>platform.</b> 17 Q And you own approximately 70 percent of 18 SAS, ultimately, correct? 19 <b>A I believe that's -- oh, I -- no, no,</b> 20 <b>no. Wait. The SAS platform is separate from the</b> 21 <b>Sentinel platform. You know, I saw the org charts</b> 22 <b>from earlier in the deposition, but my</b> 23 <b>recollection and my understanding is that because</b> 24 <b>it was a trader business, it wasn't essentially</b> 25 <b>owned by U.S. persons. I -- my recollection was</b>	1 affiliated entity, correct? 2 <b>A I don't know. I mean, Scott Ellington</b> 3 <b>is your person to talk to regarding the structure</b> 4 <b>of -- the structure, the business opportunities,</b> 5 <b>the alternative and similar business</b> 6 <b>opportunities. I am -- my involvement was not</b> 7 <b>direct or frequent.</b> 8 Q My question is more specific about what 9 your actual knowledge is, okay? So listen to my 10 question, please. I'll try to say it more 11 clearly. 12 The only other insurance policies, as 13 you sit here today, that you can think of that 14 Sentinel Re ever considered issuing in connection 15 with legal liability related to transactions that 16 were being considered by SAS, which is another 17 affiliated entity of yours, correct? 18 <b>A The Canadian examples are the only</b> 19 <b>things I can think of at this moment.</b> 20 Q And those Canadian examples were SAS 21 transactions, which are transactions of another 22 affiliated entity of yours, correct? 23 <b>A I don't know if SAS is an affiliated</b> 24 <b>entity. I believe the relationship or the</b> 25 <b>sourcing of the Canadian opportunity came through</b>

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<b>1 the SAS platform.</b>		<b>1 some material interest in it.</b>	
2 Q Okay. And so the only legal liability		2 Q I understand. But if there is any	
3 insurance policies that you can ever recall		3 value --	
4 Sentinel Re considering, other than the one that		4 MR. CLUBOK: Strike that.	
5 was issued that has been the subject of this case,		5 Q You have a substantial economic	
6 relate to business being done by SO -- SAS, in		6 interest in whatever SAS generates?	
7 which you have a, roughly, 70 percent economic		<b>7 A I have a potential participation if</b>	
8 interest, fair?		<b>8 there is any -- a significant potential</b>	
<b>9 A Source through -- source through SAS,</b>		<b>9 participation if there is any value there some</b>	
<b>10 which I believe I have a material participation</b>		<b>10 day.</b>	
<b>11 interest, I -- yes, I would -- but I need to</b>		11 Q So you have a significant economic	
<b>12 clarify it that way because I don't know.</b>		12 interest in SA -- in whatever value SAS ultimately	
13 Q You don't know the exact interest,		13 generates, fair?	
14 although you thought it was fair that it might be		<b>14 A Close enough, yes.</b>	
15 roughly 70 percent, correct?		15 Q Okay. And other than SAS, you -- for	
<b>16 A Yes. And, again, I resisted -- I know</b>		16 the --	
<b>17 it is not a specific equity interest, you know. I</b>		17 MR. CLUBOK: Strike that.	
<b>18 think it is a profit sharing, you know, but I</b>		18 Q Other than transactions that relate to	
<b>19 don't know what comes out of the profit sharing</b>		19 SAS deals or the legal liability insurance policy	
<b>20 before that, you know. It is --</b>		20 that was issued, that's the subject of this case,	
21 Q Yeah. Okay.		21 you can't think of any instance where Sentinel Re	
<b>22 A And I don't know what the interest is</b>		22 has ever considered another legal liability	
<b>23 exactly. I don't know if it is a participation,</b>		23 insurance policy, correct?	
<b>24 but there is some --</b>		<b>24 A Yes.</b>	
25 Q Fair to say --		25 Q Okay. So I want to turn to what's been	
	289		291
<b>1 A There is some --</b>		1 previously marked as Exhibit 3 if we can put that	
2 Q Okay. Mr. Dondero --		2 up on the screen.	
3 MR. TAYLOR: Andy, he has got to be		3 REMOTE TECH: Stand by.	
4 able to --		4 Q Exhibit 3 is a cover e-mail from Shawn	
5 MR. CLUBOK: Wait, wait, wait. No, no.		5 Raver to Rick Swadley attaching a tax compliance	
6 Q For the purposes of trying to get		6 memo dated 2017 re: sale of assets to Sentinel.	
7 through today, I'm going to cut you off if you're		7 Do you see Exhibit -- the first page of	
8 going off on tangents, and ask you to just focus		8 Exhibit 3?	
9 on my questions, okay, just to try to get through		<b>9 A Yes.</b>	
10 the last hour here.		10 Q Have you ever seen this before?	
11 So fair to say you have a substantial		<b>11 A No.</b>	
12 economic interest in SAS, correct?		12 Q The attachment is --	
<b>13 A Economic participation.</b>		13 MR. CLUBOK: Strike that.	
14 Q Okay.		14 Q Exhibit 3 consists of this cover e-mail	
<b>15 A There is --</b>		15 that you see on the first page, along with the	
16 Q By "economic participation," you mean		16 attachment that is a five-page memo from Shawn	
17 the right to obtain the economic benefits of		17 Raver to the Tax Files of Highland Capital	
18 SAS --		18 Management, dated June 30, 2018, Re: Tax	
<b>19 A If there are -- if --</b>		19 Consequence of Sentinel Acquisition of HFP/CDO	
20 Q -- after any -- after expenses?		20 Opportunity Assets.	
<b>21 A Yeah, if there are any or if there</b>		21 Do you see that?	
<b>22 ultimately are. But as far as I know, I have</b>		<b>22 A Yes.</b>	
<b>23 gotten nothing from it to date, and I don't know</b>		23 Q Are you aware that a memo was written	
<b>24 if there is any residual or equity value in it at</b>		24 regarding the tax consequences of the Sentinel	
<b>25 all, so I don't want to represent that I have got</b>		25 acquisition of the HFP/CDO Opportunity assets?	

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1 <b>A    No.</b>		1    authorized the transfer of the assets to pay for	
2    Q    Are you aware that there was a concern		2    the policy that it was allowing CDO and SOHC to	
3    that the IRS could attempt to characterize the		3    obtain legal liability insurance with respect to	
4    transaction as a sham?		4    the UBS litigation?	
5 <b>A    No.</b>		5 <b>A    I don't -- you know, like I just said,</b>	
6    Q    Did you know that CDO and SOHC were at		6 <b>I don't recall it that way.</b>	
7    significant risk of being held liable to UBS at		7    Q    Did you -- but at the time you	
8    the time of the transaction?		8    authorized the transaction, you knew that Sentinel	
9 <b>A    No.</b>		9    was related to the seller entities, correct?	
10   Q    Was it true that CDO and SOHC were at		10 <b>A    Yes.</b>	
11   significant risk of being held liable to UBS at		11   Q    And you knew that there was no	
12   the time the insurance policy was issued?		12   independence on each side of the transaction at	
13        MR. TAYLOR: Objection. Form.		13   the time the policy was issued, correct?	
14 <b>A    Not that I'm aware of.</b>		14 <b>A    That's not true.</b>	
15   Q    Did you -- when you signed off on the		15   Q    Oh. So how was -- but Scott Ellington	
16   insurance policy, did you believe that CDO Fund		16   provided legal advice to all the parties involved	
17   and SOHC were at significant risk of being held		17   in the transaction, correct?	
18   liable to UBS?		18 <b>A    Yes.</b>	
19 <b>A    No. I believed it was compliance --</b>		19   Q    And who acted independently on behalf	
20 <b>compliant, approved by compliance and approved and</b>		20   of Sentinel with respect to the transaction, if	
21 <b>structured -- or by the tax department also.</b>		21   anyone?	
22   Q    Okay.		22 <b>A    The independence role would have been</b>	
23 <b>A    I had no reason to doubt that process</b>		23 <b>handled through compliance.</b>	
24 <b>wasn't followed.</b>		24   Q    What do you mean by that?	
25   Q    I didn't ask you about that question,		25 <b>A    We talked about this significantly the</b>	
	293		295
1    sir, so I'm going to move to strike everything		1 <b>other day, but when a transaction involves</b>	
2    after my question. But let me try it again.		2 <b>affiliates, compliance is responsible for</b>	
3        I want you to focus on my question and		3 <b>assessing the appropriateness and fairness of the</b>	
4    not answer things about what you believed or		4 <b>transaction. And to the extent that independence</b>	
5    didn't believe that don't respond to my question		5 <b>or marks or vetting or the transaction changing</b>	
6    directly.		6 <b>from what I thought it was initially, compliance</b>	
7        At the time you signed off on the legal		7 <b>is the one that, through an iterative process,</b>	
8    liability insurance policy that's been the subject		8 <b>usually makes the transaction -- makes sure the</b>	
9    of this proceeding, did you believe that CDO Fund		9 <b>compliance -- makes sure the transaction is</b>	
10   and SOHC were at significant risk of being held		10 <b>compliant and fair.</b>	
11   liable to UBS in connection with the litigation		11   Q    And by compliance, you mean Thomas	
12   that was then pending in New York?		12   Surgent and his team?	
13 <b>A    No.</b>		13 <b>A    Yes.</b>	
14   Q    And did you believe when you signed off		14   Q    And yesterday, by the way, just -- you	
15   on the legal liability insurance policy that you		15   said at one point -- or not yesterday, but when we	
16   were obtaining \$100 million of liability		16   previously had the deposition, at one point, you	
17   protection for the defendants in the New York		17   said that there were a bunch of guys currently	
18   litigation?		18   working with you who talked to Thomas Surgent.	
19 <b>A    I gave -- I gave my -- my recollection</b>		19        Who are those guys that you meant?	
20 <b>has been different than the documents presented.</b>		20 <b>A    I still don't remember.</b>	
21 <b>Again, I thought it was a transition policy. I</b>		21   Q    When you testified that there are a	
22 <b>didn't -- it -- I didn't realize it had morphed</b>		22   bunch of guys who talk to Thomas Surgent to this	
23 <b>specifically to UBS, but it -- in aggregate, it</b>		23   day, you had no specific people in mind; is that	
24 <b>makes sense based on what we have seen.</b>		24   correct?	
25   Q    Did you believe that when you		25 <b>A    Correct.</b>	

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	296		298	
1	Q	You said you would think about it and	1	Ellington told you. And you are now saying you
2		get back to me and identify those people, and you	2	remember getting an update from Thomas Surgent
3		have not done that in the last couple of days?	3	about it?
4	A	<b>No.</b>	4	<b>A No, I mean, not an update because I</b>
5	Q	You also said that at the time of the	5	<b>stay away from any kind of involvement or</b>
6		policy, you claim that there was buzz around the	6	<b>interference with compliance so that they can be</b>
7		office and a lot of people who were talking about	7	<b>independent, but I knew he was working on it</b>
8		it.	8	<b>and --</b>
9		Can you name any of those people at all	9	Q No. You said you remember an update
10		10 other than Scott Ellington who specifically talked	10	10 from Thomas Surgent just two minutes ago.
11		11 about the Sentinel Re insurance policy at the time	11	<b>A Well -- but the update was that he was</b>
12		12 it was being considered?	12	<b>working on it. I -- again, I know they were both</b>
13	A	<b>And Thomas Surgent and his team. It</b>	13	<b>working on it, but I wasn't directly involved, and</b>
14		<b>was a --</b>	14	<b>nor do I ever get, generally, directly involved</b>
15	Q	But you --	15	<b>with compliance unless it is a factual</b>
16	A	<b>I know --</b>	16	<b>misunderstanding, but I let the business people</b>
17	Q	Sorry. You heard Thomas Surgent	17	<b>handle it with compliance.</b>
18		18 specifically talking about the Sentinel Re	18	Q In what context did Mr. Surgent give
19		19 insurance policy at that time?	19	19 you this supposed update? Did you ask him for an
20	A	<b>Well, I knew he was directly involved,</b>	20	20 update? Did he just pop out of his office and
21		<b>yes.</b>	21	21 just bring it up? What was the context of this
22	Q	22 You actually heard Thomas Surgent say	22	22 update, James?
23		23 something about the Sentinel Re insurance policy	23	<b>A Again, I talked to him -- was talking</b>
24		24 at the time it was being considered?	24	<b>to him almost every day, and it would be like,</b>
25	A	<b>Yes. Yeah, I can't remember exactly</b>	25	<b>What are you working on? It would be sometimes</b>
	297		299	
1	<b>what, but I know he was directly involved and</b>	1	<b>the start of a conversation.</b>	
2	<b>directly working on it with Scott Ellington.</b>	2	<b>And I know he would say -- there were</b>	
3	Q	3 What did Mr. Surgent say, if anything,	3 times where he would say, I'm working on getting	
4		4 about the Sentinel Re insurance policy at the	4 this Sentinel transaction done.	
5		5 time?	5 Q And did he say anything else beyond	
6	A	<b>That they were working on it and trying</b>	6 that?	
7		<b>to get it done.</b>	7 A No. I didn't ask. I knew what he --	
8	Q	8 When did he tell you that?	8 Q I'm -- okay. Just please listen to my	
9	A	<b>On or about when it was being worked</b>	9 question and just answer my question.	
10		<b>on.</b>	10 How many times did he say that he was	
11	Q	11 And in what context? In person?	11 working on this, getting the Sentinel transaction	
12	A	<b>Yeah.</b>	12 done?	
13	Q	13 In your office? In his office? In the	13 A At least a couple, a few times because	
14		14 hallway? Where? In a conference room?	14 the Sentinel transaction morphed and changed based	
15	A	<b>In the area outside his office.</b>	15 on the input and adjustments from compliance based	
16	Q	16 You were standing in the area outside	16 on what the -- versus what the business people	
17		17 his office and he specifically told you he was	17 were doing or originally intended to do. That is	
18		18 working on the Sentinel Re insurance policy?	18 why I think --	
19	A	<b>Yeah. I mean, I do remember an update</b>	19 Q I -- okay. Stop. Stop. Stop. Stop,	
20		<b>like that. I -- you know, and historically, I</b>	20 please, just for purposes of trying to get this	
21		<b>used to talk to Thomas almost every day.</b>	21 deposition done.	
22	Q	22 I'm sorry. You never mentioned this	22 My specific question was: How many	
23		23 the other day when I asked you repeatedly if you	23 times do you recall Thomas Surgent say to you that	
24		24 remembered anything else at all about anything	24 he was working on getting the Sentinel Reinsurance	
25		25 from Sentinel Re other than what Thomas -- Scott	25 transaction done?	

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	300		302
1	<b>A At least a couple times.</b>	1	<b>A That is what compliance would have been</b>
2	Q At least two times?	2	<b>pushing towards.</b>
3	<b>A Yes.</b>	3	Q Right. Your policies at the time would
4	Q And perhaps more?	4	have required there to be confirmation that there
5	<b>A I don't remember. Let me just say, at</b>	5	was the equivalent of an arm's-length process to
6	<b>least, a couple times.</b>	6	set the terms of the insurance policy prior to it
7	Q And is there anything else that anyone	7	being agreed upon, correct?
8	other than Scott Ellington ever told you about the	8	<b>A That would have been the</b>
9	Sentinel Re insurance, other than Mr. Surgent a	9	<b>back-and-forth, correct.</b>
10	1 couple of times say he was working to get it done?	10	Q And you personally didn't take any
11	<b>A No.</b>	11	steps to ensure that those policies were complied
12	Q Did you tell Mr. Surgent that Sentinel	12	with, with respect to this insurance policy,
13	Re was a related party?	13	correct?
14	<b>A No. I wasn't involved in the process,</b>	14	<b>A I was not directly involved.</b>
15	<b>so no, I did not tell him. He never -- he didn't</b>	15	Q So you personally did not take any
16	<b>ask me. I wasn't involved in the process.</b>	16	steps to ensure that there were policies designed
17	Q But you expected that Thomas Surgent	17	18 to ensure the equivalent of an arm's-length
18	would learn at the time the transaction was being	18	19 process with respect to setting the terms of the
19	considered that Sentinel Re was a related party,	19	insurance policy, correct?
20	correct?	20	<b>A I did not.</b>
21	<b>A We talked about this the other -- it</b>	21	Q Is that a yes?
22	<b>wouldn't have been in front of him if it wasn't a</b>	22	<b>A I'm sorry. I may -- I wasn't paying</b>
23	<b>related-party transaction.</b>	23	<b>attention. Perhaps --</b>
24	Q My question is: Did you expect Thomas	24	Q Okay. Please --
25	Surgent to have learned at the time the	25	<b>A Can you rephrase it?</b>
	301		303
1	transaction was being considered that Sentinel Re	1	Q Sure.
2	was a related party; yes or no?	2	Sir, you personally did not take any
3	<b>A Yes.</b>	3	steps to ensure that the policies designed to
4	Q Thank you.	4	confirm the equivalent of an arm's-length process
5	So did Scott Ellington set all the	5	5 with respect to setting the terms of the insurance
6	terms of the transaction for both sides?	6	6 policy were actually followed, correct?
7	<b>A I think -- as far as I know, he framed</b>	7	MR. TAYLOR: Andy, I'm going to
8	<b>the transaction, and then it was an iterative</b>	8	interject here. Literally, he answered the
9	<b>approval process through compliance. That's the</b>	9	question for you. He said, "No, I did not."
10	<b>way it would typically work. And that's as far as</b>	10	MR. CLUBOK: I --
11	<b>my understanding goes. I wasn't directly</b>	11	MR. TAYLOR: That is a clear answer.
12	<b>involved.</b>	12	MR. CLUBOK: It was just a -- it is
13	Q Okay. And you don't know whether or	13	slightly a double negative, so I just wanted to
14	not there actually was an arm's-length negotiation	14	ask it again. I think it -- this is -- I think it
15	regarding the consideration to be paid for the	15	should be very simple. I'm just trying to get a
16	policy, correct?	16	simple yes, so let me just ask it again.
17	<b>A I don't know directly, but I believe it</b>	17	Q Sir, you personally did not take steps
18	<b>would have been in an -- yes, that would have been</b>	18	19 to ensure that the policies were -- that were in
19	<b>the process.</b>	20	place at the time that were designed to confirm
20	Q You believe that -- well, your process	21	20 the equivalent of an arm's-length process with
21	required there to have been an arm's-length	21	21 respect to setting the terms of the insurance
22	negotiation for a policy like this, correct?	22	22 policy were actually followed, correct?
23	<b>A Or arm's-length equivalent,</b>	23	<b>A I did not take such steps to -- I did</b>
24	<b>essentially.</b>	24	<b>not take any steps to ensure. I was not involved.</b>
25	Q Or an equivalent.	25	Q Going back to Exhibit 2 briefly,

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	304		306
1	Schedule A.	1	32, which is a document entitled Highland Multi
2	MR. CLUBOK: Can we put that back up on	2	Strategy Credit Fund, L.P., Transfer of Limited
3	the screen.	3	Partner Interest. And it is a transfer agreement
4	REMOTE TECH: It should be on screen	4	between Highland CDO Opportunity Master Fund and
5	and ready.	5	Sentinel Reinsurance dated August 24, 2017.
6	MR. CLUBOK: Okay.	6	Do we have that up?
7	Q Can you see it, Mr. Dondero?	7	REMOTE TECH: It is on screen and
8	<b>A Yep.</b>	8	ready.
9	Q Unfortunately, that makes one of us.	9	MR. CLUBOK: Okay.
10	Give me a second here.	10	Q And, sir, have -- that is your
11	REMOTE TECH: Try hovering over your	11	signature on Exhibit 32, correct?
12	Zoom screen at the bottom, and then --	12	<b>A Yes.</b>
13	MR. CLUBOK: I got it now. Thank you.	13	Q And you signed Exhibit 32 and this
14	Q Do you see the column that says "Traded	14	transfer agreement on behalf of Highland CDO
15	Shares/Par"?	15	Opportunity Master Fund and then all the other
16	<b>A Yes.</b>	16	entities that are listed there, including Highland
17	Q Do you have an understanding what that	17	Capital Management and Strand Advisors, correct?
18	means?	18	<b>A Yes.</b>
19	<b>A Yeah. I think there is -- there is</b>	19	Q And then the transferee is somebody
20	<b>an -- I do not -- I've never seen this before. I</b>	20	named Christopher Watler, Director of Sentinel
21	<b>believe some of the CLO positions are in shares,</b>	21	Reinsurance. Do you know who that is?
22	<b>and then some of them are stated in par value.</b>	22	<b>A No.</b>
23	<b>But in neither case would the actual value be the</b>	23	Q Have you ever met or heard of him
24	<b>number of shares or the par value. There would be</b>	24	before today?
25	<b>a trading value that would have to get multiplied</b>	25	<b>A I think he signed one of the other</b>
	305		307
1	<b>by either the par value or the number of shares to</b>	1	<b>documents we talked about a couple days ago, but I</b>
2	<b>get the actual value.</b>	2	<b>haven't met him.</b>
3	Q And where would the records for	3	Q Other than seeing his signature a
4	those -- for the information necessary to perform	4	couple days ago during this deposition, had you
5	those calculations be?	5	ever heard his name before?
6	<b>A Highland would have all of those.</b>	6	<b>A No.</b>
7	Q Okay. And you would have retained --	7	Q The -- as of -- prior to this transfer,
8	you would -- Highland would have retained all	8	it appears that Highland CDO Opportunity Master
9	those records since August of 2017 if you wanted	9	Fund had some limited partner interest in Highland
10	10 to go find them now?	10	Multi Strategy Credit Fund, correct?
11	<b>A Yeah. At least seven years. And all</b>	11	<b>A It appears so.</b>
12	<b>of those are -- they are done at least on a</b>	12	Q And that was then transferred to
13	<b>monthly basis for all of those securities if not</b>	13	Sentinel Reinsurance, right?
14	<b>more frequently.</b>	14	<b>A It appears that was, yes, part of the</b>
15	Q Do you -- did you or anyone who works	15	<b>asset pool.</b>
16	16 for you currently have any access to the Highland	16	Q So, in other words, Highland CDO
17	17 accounting system?	17	Opportunity Master Fund's interest in Multi
18	<b>A No.</b>	18	Strategy Credit Fund was transferred to an entity
19	Q Let's turn to what is behind tab 14,	19	19 for which you have approximately 70 percent
20	20 which I guess we'll mark as Exhibit 30 -- somebody	20	20 beneficial ownership, correct?
21	21 help me. 32.	21	<b>A Well, it was transferred as part of an</b>
22	REMOTE TECH: Stand by.	22	<b>insurance policy for -- right? For Sentinel,</b>
23	(Deposition Exhibit 32 marked for	23	<b>right? It wasn't just directly transferred.</b>
24	24 identification.)	24	Q Correct. This is part of the payment
25	MR. CLUBOK: We're putting up Exhibit	25	25 for the insurance policy, correct?

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	308		310
1 <b>A Yes.</b>		1   by CDO Opportunity Master Fund. And this shows a	
2   Q And as part of the payment for the		2 transfer on the same date of an interest in Multi	
3 insurance policy, the legal liability insurance		3 Strat by Highland CDO Opportunity Fund, Ltd.,	
4 policy that Sentinel issued, that we have been		4 correct?	
5 discussing, an interest in Multi Strat that was		5 <b>A Yes.</b>	
6 previously owned by CDO Fund was transferred to		6   Q And you signed off on this as well,	
7 Sentinel Reinsurance, correct?		7 right?	
8 <b>A Yes.</b>		8 <b>A Yes.</b>	
9   Q And at the time, you owned		9   Q And you made no effort to determine the	
10 approximately 70 percent of the beneficial		10 fair market value of this partnership interest in	
11 interest in Sentinel Reinsurance, right?		11 Multi Strat before signing off on the transfer as	
12 <b>A I ought -- I want to answer that the</b>		12 part of the insurance agreement, correct?	
13 <b>way I have answered it before. Yes. I mean --</b>		13 <b>A I did not under the belief that process</b>	
14 yes. I --		14 <b>and the accurate marked to market reflection would</b>	
15   Q Okay.		15 <b>have been done by other people as part of the</b>	
16 <b>A Yeah. Yes.</b>		16 <b>transaction. And I believe it was done, so...</b>	
17   Q Okay. And then at the time did you		17   Q Okay. I'm going to put up what we're	
18 make any effort to determine the fair market value		18 going to -- the next document we're going to put	
19 of that partnership interest in Highland Multi		19 up and we are going to mark as Exhibit 34 is a	
20 Strategy Credit Fund?		20 Multi Strat Summary Balance Sheet.	
21 <b>A No. That wasn't -- no, I did not.</b>		21   MR. CLUBOK: Ms. George, maybe you can	
22 <b>That wasn't my role.</b>		22 help identify -- I don't know what tab we used for	
23   Q Where -- does Sentinel still own that		23 that or how to easily identify that.	
24 limited partner interest in Highland Multi		24   MS. GEORGE: Hold on a sec, please.	
25 Strategy Credit Fund, to your knowledge?		25   It should be called the Multi Strat	
	309		311
1 <b>A I'm not aware. I'm not aware if it</b>		1   Summary Balance Sheet --	
2 <b>sold it or transferred -- I have no awareness</b>		2   MR. CLUBOK: Okay.	
3 <b>of -- I have no awareness of the current Sentinel</b>		3   MS. GEORGE: -- as you described it.	
4 <b>balance sheet.</b>		4   MR. CLUBOK: Pull up the Multi Strat	
5   MR. CLUBOK: Let's turn to tab 14A for		5   Summary Balance Sheet, please, and we'll mark it	
6 an exhibit that's marked 33.		6 as Exhibit 34.	
7   REMOTE TECH: Stand by.		7   REMOTE TECH: One moment.	
8   (Deposition Exhibit 33 marked for		8   (Deposition Exhibit 34 marked for	
9 identification.)		9 identification.)	
10   REMOTE TECH: Exhibit 33 is on screen		10   REMOTE TECH: Exhibit 34 is on screen	
11 and ready.		11 and ready.	
12   MR. CLUBOK: Okay.		12   MR. CLUBOK: Okay.	
13   Q Exhibit 33 is a document that's also		13   Q Exhibit 34 is a document that you sent	
14 dated August 24, 2017, that reflects a transfer of		14 to me in connection with settlement discussions,	
15 limited partner interest from Highland CDO		15 correct?	
16 Opportunity Fund to Sentinel Reinsurance.		16   MR. TAYLOR: Andy, we're going to	
17   Do you see that?		17 reserve any and all rights of your ability to use	
18 <b>A Yes.</b>		18 that.	
19   Q And Exhibit 33 shows -- by the way,		19   MR. CLUBOK: Okay.	
20 when I call -- can I shorthand Highland Multi		20   Q Mr. Dondero, you recognize Exhibit 34,	
21 Strategy Credit Fund as Multi Strat and you'll		21 right?	
22 understand what I mean?		22 <b>A Yes.</b>	
23 <b>A Sure.</b>		23   Q And this is a document that you asked	
24   Q Okay. So the previous document showed		24 someone at Highland to prepare for you to send	
25 a transfer of partnership interest in Multi Strat		25 in -- me on behalf of UBS, correct?	

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	312		314
1	<b>A Yes.</b>	1	Q And --
2	Q And this purports to show the ownership	2	<b>A But it -- but I didn't know -- I didn't</b>
3	or the redemption interest in Multi Strat as of	3	<b>know the amount or specifically what kind of</b>
4	today -- or as of October 31, 2020, correct?	4	<b>interest.</b>
5	<b>A Yes.</b>	5	Q Okay.
6	Q And there were -- you listed the top	6	And you knew that they -- you
7	six redemption payables outstanding. The first	7	knew that they -- did you believe they ever
8	one is Quentin Ayers (multiple classes).	8	disposed of that interest?
9	Do you see that?	9	<b>A I didn't have awareness. But I -- at</b>
10	<b>A Yes.</b>	10	<b>10 some point, I was made aware they had some</b>
11	Q Who is Quentin Ayers?	11	<b>11 interest.</b>
12	<b>A It is an Australian fund to funds.</b>	12	MR. CLUBOK: Let's turn to Exhibit 28
13	Q Are you related in any way to that,	13	that was previously used in this deposition. It
14	Quentin Ayers?	14	was at tab 8.
15	<b>A No.</b>	15	REMOTE TECH: Stand by.
16	Q They are completely separate in every	16	MR. CLUBOK: Exhibit 28 has the org
17	way, control, economic interest, et cetera, from	17	structures that we previously discussed for SAS
18	you?	18	and for Sentinel Reinsurance.
19	<b>A Yes.</b>	19	REMOTE TECH: One moment. I'm
20	Q Do you have any ownership interest in	20	double-checking that I have the correct file. You
21	any Quentin Ayers fund?	21	said it was --
22	<b>A No.</b>	22	MR. CLUBOK: It is Exhibit 28 in this
23	Q Okay. Then the next highest redemption	23	deposition. It was previously tab 8, but it is
24	payable is this entity called SS Holdings; do you	24	Exhibit 28.
25	see that?	25	REMOTE TECH: Okay. I found it. One
	313		315
1	<b>A Yes.</b>	1	moment.
2	Q What is SS Holdings?	2	Exhibit 28 is back on screen.
3	<b>A I don't know.</b>	3	BY MR. CLUBOK:
4	Q It says there is a \$32.8 million	4	Q We previously showed you Exhibit 28
5	payable to SS Holdings; do you see that?	5	and, in particular, the last page, which showed
6	<b>A Yes.</b>	6	the Sentinel structure as of April 2019. And I
7	Q SS Holdings relates to Sentinel	7	have just zoomed it up a little bit.
8	Insurance, correct?	8	And, again, you are the USP2 here that
9	<b>A I don't know that.</b>	9	ultimately has about 70 percent of value in
10	Q There -- Sentinel Insurance -- Sentinel	10	Sentinel, correct?
11	Reinsurance had a, roughly, \$32 million interest	11	<b>A I assume so. I don't know. I have</b>
12	in Multi Strat following the insurance policy	12	<b>12 never seen this -- I never saw this before two</b>
13	transaction; isn't that true?	13	<b>13 days ago.</b>
14	<b>A I don't know that. I mean, I did know</b>	14	Q Okay. But the only two human beings on
15	<b>15 that at the time of this.</b>	15	the planet that you are aware of that have any
16	Q You knew that Sentinel Reinsurance had	16	substantial interest in Sentinel Reinsurance are
17	a, roughly, \$32 million redemption payable in	17	Scott Ellington and you, correct?
18	connection with Multi Strat at some point,	18	<b>A Yeah. As far as I know, yes.</b>
19	correct?	19	Q And Scott Ellington has a, roughly, 30
20	<b>A No.</b>	20	percent interest and you have a, roughly, 70
21	Q You knew that Sentinel Reinsurance had	21	percent interest, to the best of your knowledge,
22	a significant interest in Multi Strat at some	22	22 as you sit here today, correct?
23	point, correct?	23	<b>A Yes.</b>
24	<b>A Significant -- I knew it -- at some</b>	24	Q Okay. So on this org chart of Sentinel
25	<b>25 point, I knew it had an interest in Multi Strat.</b>	25	Reinsurance, where it shows USP2 has 70 percent

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	316		318
1	value and a 91 percent vote, in this complicated	1	the WiFi to go out.
2	org chart, almost near the bottom, you see	2	MR. CLUBOK: Oh, that's okay. But you
3	SS Holdings, Limited, correct?	3	are -- do you need to go off the record?
4	<b>A Yes.</b>	4	MR. TAYLOR: Yes, please.
5	Q Okay. Does that ring a bell that	5	MR. CLUBOK: All right. Let's go off
6	SS Holdings is connected to Sentinel Reinsurance?	6	the record.
7	<b>A Again, not to me. I wasn't aware of</b>	7	THE VIDEOGRAPHER: Off record, 10:31.
8	<b>this structure and I have never seen it before, so</b>	8	(A recess was taken.)
9	<b>I wasn't aware of it when I sent you settlement</b>	9	THE VIDEOGRAPHER: On record, 10:40.
10	<b>stuff a year and a half ago, or whatever.</b>	10	BY MR. CLUBOK:
11	Q Did you know what SS was when you	11	Q Okay. We've got on the screen Exhibit
12	sent the -- sorry.	12	35, which is an e-mail from Tara Loiben to Helen
13	Did you say you sent the settlement	13	Kim; subject, "Here is my signed document
14	stuff a year ago to me?	14	Assignment Agreement - PNotes - CLO Holdco," dated
15	<b>A Well, when I -- the settlement stuff</b>	15	15 August 14, 2017 at approximately 5:07.
16	<b>seven months ago, whenever it was.</b>	16	Do you see this?
17	Q Okay.	17	<b>A Yes.</b>
18	<b>A Whenever it would have been in the</b>	18	Q And Tara Loiben was your executive
19	<b>last --</b>	19	assistant at the time?
20	Q And when you sent that, did you know --	20	<b>A Yes.</b>
21	did you know what SS -- did you have any idea what	21	Q Does she still work for you?
22	SS Holdings were?	22	<b>A Yes.</b>
23	<b>A I had no idea.</b>	23	Q So she is now at that office that
24	Q And you represented that SS Holdings	24	you're in?
25	was a wholly third party, correct?	25	<b>A Yes.</b>
	317		319
1	<b>A I had no idea what it was. And as far</b>	1	Q And what about Helen Kim, did she come
2	<b>as I knew --</b>	2	with you?
3	Q Right. And at the time -- at the time	3	<b>A Yes.</b>
4	when we asked you whether SS was in any way	4	Q Okay. And this cover e-mail says --
5	related, you said, like Quentin Ayers, it was a	5	Tara says: "I signed the attached document.
6	completely third party?	6	Thanks." And then it says: "Sorry Tara, Jim
7	<b>A I -- if I said that, that was my belief</b>	7	can't sign for Sentinel. Can you only sign for
8	<b>at the time, absolutely.</b>	8	Highland CDO Holding? Thank you." And she says,
9	Q And was that based on anything, that	9	"Sorry yes."
10	belief?	10	Do you see that?
11	<b>A It was based on no knowledge that it</b>	11	<b>A Yes.</b>
12	<b>was part of this.</b>	12	Q Okay. So did you sometimes authorize
13	Q Okay. But you had done nothing to	13	your assistant to sign documents on your behalf?
14	investigate what SS Holdings was before you	14	<b>A Yes.</b>
15	represented that it was a wholly third party,	15	Q Would Tara have ever signed a document
16	correct?	16	on your behalf without direct authorization from
17	<b>A Correct.</b>	17	17 you?
18	MR. CLUBOK: Let's turn to what's	18	<b>A I don't believe so.</b>
19	behind tab 15. Tab 15, we will mark as Exhibit	19	Q Okay. That would -- okay.
20	35.	20	Let's turn to Exhibit 36, which is one
21	REMOTE TECH: Stand by.	21	of the attachments originally to this e-mail. And
22	(Deposition Exhibit 35 marked for	22	it says, "Assignment Agreement" between Highland
23	identification.)	23	CDO Opportunity Master Fund and Sentinel
24	MR. TAYLOR: Andy, I am back. Sorry,	24	Reinsurance, and it is to be effective August 7,
25	we had a power loss and, therefore, that caused	25	2017; do you see that?

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	320	322
1 <b>A Yes.</b>		1     agreement between Highland CDO Holding Company and
2     Q   And on this document, this was another		2     Sentinel Reinsurance, where it also refers to the
3     document that consummated one of the transfers in		3     asset purchase agreement that was executed in
4     connection with the insurance policy that we have		4     connection with the insurance policy.
5     been talking about?		5     Do you see that?
6 <b>A I believe so.</b>		6 <b>A Yes.</b>
7     Q   And we look at the second page -- or,		7     Q   And on the next page, or two pages
8     sorry, the third page, the signature page.		8     later, it shows you signing on behalf of Highland
9        And, here, it has assignor and		9     CDO Holding Company as the assignor, correct?
10      assignee, and we have got Jim Dondero's signature		10 <b>A Yes.</b>
11      for both entities, correct?		11   Q   And, again, there is a blank for
12 <b>A Yes.</b>		12   Sentinel Reinsurance, right?
13   Q   And as we noted before in Exhibit 34,		13 <b>A Yes.</b>
14   someone pointed out -- Helen Kim pointed out to		14   Q   And you authorized -- you either signed
15   Tara that "Jim can't sign for Sentinel." So, now,		15   this or authorized your assistant to sign on your
16   let's look at Exhibit 37, please. Exhibit 37 is		16   behalf; is that correct?
17   an e-mail document that's dated a few minutes		17 <b>A Yes.</b>
18   later from Helen Kim on August 14, 2017. It is		18   Q   And you had the authority to do that at
19   now 5:29, according to this e-mail, and it has got		19   the time on behalf of Highland CDO Holding
20   several attachments, including Sentinel -- it		20   Company?
21   says, "Sentinel (executed), CDO Holdco (executed),		21 <b>A Yes, I believe so.</b>
22   CDO Fund - Dugaboy, Survios (executed)."		22   Q   Okay. Continuing to the next
23        It says: "Attached are the docs signed		23   attachment to what's been marked as Exhibit 37,
24   by JD. I'm waiting on the Dugaboy sign from Nancy		24   we -- there is a purchase agreement that has the
25   Dondero."		25   seller, CDO Opportunity Master Fund, and you
	321	323
1        Do you see that?		1     signed on their behalf.
2 <b>A Yes.</b>		2        Do you see that?
3     Q   And then if we look at page 4 -- or we		3 <b>A Yes.</b>
4     see that attached here is the same assignment		4     Q   And this is -- relates to 269,000
5     agreement that we just saw at Exhibit 36, but now		5     shares of NexPoint Multifamily Capital Trust.
6     the signature page just has you signing on behalf		6        Do you see that?
7     of the assignor and a blank for Sentinel		7 <b>A Yes.</b>
8     Reinsurance.		8     Q   And it says that the seller was selling
9        Do you see that?		9     to purchaser and purchaser purchases from seller
10 <b>A Yes.</b>		10   the assets in accordance with the terms hereof for
11   Q   Do you know if this -- if Sentinel		11   an aggregate purchase price of 2,693,930, to be
12   Reinsurance ever signed this asset transfer		12   paid for as follows: 20 percent in cash and the
13   agreement?		13   balance pursuant to the promissory note attached
14 <b>A I have no idea, but they -- I would</b>		14   hereto.
15   have expected, but I have no idea.		15        Do you see that?
16   Q   The next document -- so, again, Exhibit		16 <b>A Yes.</b>
17   37 is an e-mail and it mentions several		17   Q   Did you ever obtain any cash in
18   attachments. The first is this assignment		18   connection with this transaction?
19   agreement that is between Highland CDO Opportunity		19 <b>A I'm sorry. I'm not part of the</b>
20   Master Fund and Sentinel Reinsurance that you had		20   purchase agreement, am I?
21   previously -- or your assistant had previously		21   Q   Did Highland CDO Opportunity Master
22   signed your name to both the assignor and the		22   Fund, seller, obtain any cash in connection with
23   assignee, and now there is a version with just you		23   this transaction, as far as you know?
24   signing it.		24 <b>A I don't have any specific knowledge or</b>
25        The next attachment is an assignment		25 <b>reason to think it wasn't performed as stated.</b>

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	324		326
1     Q   Who owned Highland CDO Opportunity		1     A   Again, all trades that involve	
2 Master Fund, or who was the beneficial owner of		2 affiliates go through compliance. This one would	
3 Highland CDO Opportunity Master Fund at the time		3 have been easy because they were publicly listed	
4 of this transaction in August of 2017, as far as		4 shares at a price on the exchange on the day of	
5 you know?		5 transfer. There wouldn't have been controversy	
6     A   I don't know.		6 regarding the propriety of the amounts.	
7     Q   You had an economic interest in it,		7     Q   Okay. By the way, is -- was Sentinel	
8 though, right?		8 Reinsurance an advisory fund or an advisory client	
9     A   I don't know.		9 of Highland Capital Management?	
10    Q   Do you have any idea who has ever owned		10    A   I don't know.	
11 Highland CDO Opportunity Master Fund?		11    Q   If there was an entity that was not an	
12    A   In -- I don't -- Highland? I don't		12 advisory client of Highland Capital Management but	
13 know. I don't know.		13 was nevertheless related to you or affiliated with	
14    Q   Okay. And Highland, you -- at some --		14 you, would compliance at Highland Capital	
15 through whatever chain, fair to say that you		15 Management have needed to be involved?	
16 expect you would have had some economic interest		16    A   Yes.	
17 in Highland CDO Opportunity Master Fund as of		17    Q   Why is that?	
18 August 7, 2017, correct?		18    A   Because it was an affiliate of me.	
19    A   I don't know.		19    Q   Okay. So any transaction where it is	
20    Q   Well, Highland Capital Management would		20 an affiliate of you would require compliance to	
21 certainly have had some economic interest in		21 sign off on if you were on both sides of the	
22 Highland CDO Opportunity Master Fund as of August		22 transaction or affiliates of you were on both	
23 7, 2017, correct?		23 sides of the transaction, correct?	
24    A   Not necessarily. But, typically, it		24    A   Yes.	
25 did, but I don't know.		25    Q   Okay. The last attachment -- or the	
	325		327
1     Q   Okay. There is also, here, a signature		1     next attachment here is a promissory note from	
2 for the purchaser of this asset by Governance Re,		2     Governance Re to Highland CDO Fund. And, again,	
3 Limited; do you see that?		3     you signed on behalf of Governance Re; do you see	
4     A   Yep.		4 that?	
5     Q   So on -- and for this document, you		5     A   Yes.	
6 signed both of behalf of the seller, Highland CDO		6     Q   And then there is a purchase agreement	
7 Opportunity Master Fund through Highland Capital		7     between Dugaboy Investment Trust and Highland CDO	
8 Management and Strand, and then you sign also on		8     Opportunity Master Fund, and you sign on behalf of	
9 behalf of the purchaser, Governance Re, Limited,		9 the seller, Highland CDO Opportunity Master Fund?	
10 as its sole director, correct?		10    A   Yes.	
11    A   Yes.		11    Q   And there is no signature on behalf of	
12    Q   Did you have authority to act on both		12 Dugaboy Investment Trust. You would have expected	
13 sides of this transaction at the time?		13 the trustee to sign that?	
14    A   I believe so.		14    A   Yes.	
15    Q   Who gave you that authority?		15    Q   Did you ever direct the trustee of	
16    A   Who gave me that -- I believe I'm an --		16 Dugaboy to do anything?	
17     MR. CLUBOK: Strike that.		17    A   No.	
18    Q   Did --		18    Q   Do you know whether -- and that -- who	
19    A   I believe I am an authorized signatory		19 was the Dugaboy Investment trustee at the time?	
20 or officer of both those entities, I believe.		20    A   I don't know. It would have been	
21    Q   Did you make any effort to ensure that		21 either Grant Scott or my sister. More recently	
22 it was compliant for you to act on both sides of		22 it's been my sister, but I don't know at this	
23 this transaction that's reflected in this purchase		23 point in time.	
24 agreement between Governance Re, Limited and		24    Q   Is your sister currently the trustee of	
25 Highland CDO Opportunity Master Fund?		25 Dugaboy Investment Trust?	

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	328	330
1 <b>A</b> Yes.		1   Dugaboy, correct?
2   Q What is your sister's name?		2 <b>A</b> <b>No, I don't.</b>
3 <b>A</b> Nancy.		3           MR. TAYLOR: Objection.
4   Q Where does she live?		4 <b>A</b> <b>I do not. I did not.</b>
5 <b>A</b> In Florida.		5   Q Okay. Do you know if Sentinel ever
6   Q Have you ever directed her in		6   hired an outside valuation firm to value the
7   connection with anything having to do with		7   assets?
8   Sentinel Reinsurance?		8 <b>A</b> <b>I -- Highland does, and I think</b>
9 <b>A</b> <b>Not that I'm aware of.</b>		9 <b>Sentinel relied on the Highland marks.</b>
10   Q Okay. And then there is a final		10   Q You think Sentinel relied on the
11 document that relates to Dugaboy that looks like		11 Highland marks prior to consummating this
12 it is unsigned.		12 transaction, correct?
13   If we go back to the first page of		13 <b>A</b> Yes.
14 Exhibit 37, Helen Kim says: "Attached are the		14   Q After this transaction, since the
15 docs signed by JD. I'm waiting on the Dugaboy		15 transaction, since August of 2017, do you know
16 signs from Nancy Dondero."		16 whether or not Sentinel has ever hired an outside
17   Do you see that?		17 valuation firm to value the assets?
18 <b>A</b> Yes.		18 <b>A</b> I don't know.
19   MR. TAYLOR: Just objection to clarify.		19   MR. CLUBOK: Okay. Turn to tab -- to
20 You said, "signs." I believe you meant to say		20 Exhibit 38, please. Exhibit 38 is a document
21 "signs."		21 entitled Asset Transfer Agreement, dated as of
22   MR. CLUBOK: I'm so sorry. Thank you.		22 December 31, 2019.
23   Q In Exhibit 37, Helen Kim says:		23   (Deposition Exhibit 38 marked for
24 "Attached are the docs signed by JD. I'm waiting		24 identification.)
25 on the Dugaboy sigs," S-I-G-S, "from Nancy		25   MR. CLUBOK: I'm going to blow it up.
	329	331
1   Dondero."		1   THE WITNESS: Yes, please.
2   Do you see that?		2   Q Okay. Do you see that?
3 <b>A</b> Yes.		3 <b>A</b> Yes.
4   Q And that is an e-mail to J.P. Sevilla,		4   Q And it says the parties are Sentinel
5 correct?		5 Reinsurance and Sebastian Clarke; do you see that?
6 <b>A</b> Yes.		6 <b>A</b> Yes.
7   Q And what that means is that she was		7   Q And it says, on December 31, 2019, the
8 waiting for Nancy Dondero, your sister, to sign		8 seller, that is Sentinel Reinsurance, agreed to
9 off on the Dugaboy transactions where there were		9 sell certain assets to the purchaser for the
10 blanks that we just looked at, correct?		10 consideration in this agreement.
11 <b>A</b> I -- it seems logical, but I don't have		11   Do you see that?
12 specific awareness.		12 <b>A</b> Yes.
13   Q How did Nancy Dondero get information		13   Q Were you aware of this transaction
14 about this transaction?		14 between Sentinel Reinsurance and Sebastian Clarke
15 <b>A</b> I don't know.		15 in approximately December of 2019?
16   Q How did Nancy Dondero make the decision		16 <b>A</b> No.
17 as to whether or not to sign off on this		17   Q This would have been after you went
18 transaction?		18 through bankruptcy for Highland Capital
19 <b>A</b> I don't know.		19 Management, correct?
20   Q Did you ever talk to Nancy Dondero		20 <b>A</b> Yes.
21 about Dugaboy in connection with this transaction?		21   Q And it -- there is a purchase price
22 <b>A</b> Not that I -- not that I recall.		22 here of \$3 from purchaser to seller; do you see
23   Q You had an understanding at the time		23 that?
24 with Nancy that she would pretty much sign		24 <b>A</b> Yes.
25 anything that was put in front of her related to		25   Q And then there is a schedule that lists

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	332		334
1	a series of assets; do you see that?	1	<b>A No.</b>
2	<b>A Yes.</b>	2	Q Do you know about the Highland Park
3	Q Do you recognize the Dugaboy Investment	3	note that's noted as a Par/Face of 17 million?
4	Trust promissory note amongst those assets of	4	<b>A No. The -- I think we commented on</b>
5	approximately 2.4 million?	5	<b>these before. I think Highland Park and Aberdeen</b>
6	<b>A Yes.</b>	6	<b>are old CLOs, tranches that would be cents on the</b>
7	Q And do you see where there is a CLO	7	<b>dollar in terms of value versus those numbers.</b>
8	Holdco, Limited promissory note of approximately	8	<b>The Vertical ABS CDO, I believe, is a third-party</b>
9	32.8 million?	9	<b>CLO.</b>
10	<b>A Yes.</b>	10	Q Is that worth cents on the dollar or is
11	Q And then there are several other	11	that money good right now?
12	assets, correct?	12	<b>A No, well, they are all cents on the</b>
13	<b>A Yes.</b>	13	<b>dollar --</b>
14	Q And it says all these assets were	14	Q What about Pam Cap FTG?
15	acquired the same day, August 11, 2017; do you see	15	<b>A That is a very old CLO, and that would</b>
16	that?	16	<b>be literally a couple, few cents on the dollar.</b>
17	<b>A Yes.</b>	17	Q Okay. You wouldn't expect, though, the
18	Q Those assets were all acquired by	18	18 CLO Holdco note to be cents on the dollar, would
19	Sentinel Reinsurance in connection with the	19	19 you?
20	insurance policy issuance that we have been	20	<b>A It shouldn't be.</b>
21	talking about, right?	21	Q Okay. Sebastian Clarke is an entity
22	<b>A Well, it appears, but I don't know</b>	22	22 that's ultimately -- that you have economic
23	<b>that for sure.</b>	23	23 interest in, correct?
24	Q Okay. But we could compare this	24	<b>A I have never heard of Sebastian Clarke</b>
25	document with the schedule in the purchase	25	<b>before unless you refresh or educate me.</b>
	333		335
1	agreement to confirm that. But it certainly --	1	MR. CLUBOK: Let's go to -- what was
2	from a quick glance, it appears that's to be the	2	it? Tab 6?
3	case, correct?	3	REMOTE TECH: Is that Exhibit 39?
4	<b>A It appears, yes.</b>	4	MR. CLUBOK: Sorry. Sorry. Tab 8,
5	Q And do you have any idea, is the	5	Exhibit 28. Back to Exhibit 28.
6	Dugaboy Investment -- does Dugaboy currently have	6	Q Exhibit 28 had the charts for SAS and
7	the wherewithal to pay off its promissory note	7	Sentinel. And you can see in the SAS chart,
8	that's reflected here in Exhibit 38?	8	Sebastian Clarke is identified as one of the
9	<b>A Yeah, it has the solvency. I don't</b>	9	entities that rolls up to SAS, or did roll up to
10	<b>know about the liquidity on a day-to-day basis.</b>	10	10 SAS as of the date of this chart.
11	Q Okay. But it has solvency such that it	11	Do you see that?
12	can make good on this \$2.399 million promissory	12	<b>A Yes.</b>
13	note that is reflected in the assets that were	13	Q And you have an economic interest in
14	sold pursuant to this agreement on December 31,	14	14 the SAS entity, correct?
15	2019, correct?	15	<b>A Participation interest, right? Anyway,</b>
16	<b>A Yes.</b>	16	<b>but yes.</b>
17	Q And does CLO Holdco have the	17	MR. CLUBOK: All right. I think that's
18	wherewithal to pay off the, roughly, \$32.8 million	18	all I have for now. Let's go off the record.
19	promissory note that's reflected here?	19	THE VIDEOGRAPHER: Off record, 11
20	<b>A I don't know. The doc overall has</b>	20	o'clock.
21	<b>solvency well beyond 32 million, but I don't know</b>	21	(A recess was taken.)
22	<b>about CL -- CLO Holdco.</b>	22	THE VIDEOGRAPHER: On the record,
23	Q Do you know about the value of the	23	11:06.
24	Vertical ABS CDO 2.00 that's reflected here, has a	24	MR. CLUBOK: If we could, put up
25	25 Par/Face, 11 million?	25	Exhibit 2, Schedule A, please.

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	336	338
1     Q   Exhibit 2 was the purchase agreement in 2 connection with the legal liability insurance 3 policy that we have been discussing. 4       And as you know, Schedule A is a 5 two-page document that lists all the assets that 6 were transferred in connection with the purchase 7 of that policy, correct, Mr. Dondero?	1   would expect to have generated cash? 2 <b>A   The Valhalla and the Vertical.</b> 3    Q   Okay. And I -- the ones that are 4 marked Valhalla CLO, Limited and Vertical ABS CDO 5 were two other assets that you would have expected 6 to generate cash after the time they were 7 transferred?	
8 <b>A   Yes.</b> 9    Q   My question is -- and I think you said 10 that you have -- sitting here today, you have no 11 idea what the value of any of these assets are 12 today, correct?	8 <b>A   Yes.</b> 9    Q   Okay. Anything else? 10 <b>A   So I don't know what the Cambridge note 11 is, so I -- some of these -- yeah, that -- well, 12 that's it on that page that I would comment on.</b>	
13 <b>A   Correct.</b> 14   Q   Other than with respect to the 15 promissory notes, you have testified that you 16 believe that various entities we have talked about 17 have the capacity to pay the -- to the extent you 18 have testified; is that fair?	13   Q   And, again, with those last two, you 14 don't know how much cash you would have expected 15 to generate when you authorized their transfer as 16 part of the insurance policy, correct? 17 <b>A   That's right.</b> 18   Q   So on the second page, any assets that 19 you would have expected to generate cash when you 20 transferred the assets?	
19 <b>A   Yes.</b> 20   Q   Okay. So my only other question is: 21 Do you know if any of these assets have ever 22 generated cash since they were transferred? 23       And I'll give you a chance to just look 24 over Schedule A, the first page. And tell me when 25 you're ready, and I'll move to the second page.	21 <b>A   Under Special Opportunities Fund, 22 everything there other than -- everything other 23 than Tousa, I would have expected to generate some 24 cash. The --</b> 25   Q   Okay. So Delphi Corp., Longstreet and	
1 <b>A   Yeah, I would expect that some of the 2 CLOs would have generated some cash.</b> 3    Q   Which ones on page 1? 4 <b>A   I would have expected the first six to 5 generate cash.</b> 6    Q   Okay. So you would have expected the 7 Aberdeen, the two South Forks, the other Aberdeen, 8 the GSC and the Greenbriar -- 9 <b>A   Yes.</b> 10   Q   -- that are all listed at the top of 11 Schedule A to generate cash since the time they 12 were transferred? 13 <b>A   Yes.</b> 14   Q   Do you expect that some of them are 15 still continuing to generate cash? 16 <b>A   I don't know, but I would have expected 17 them to generate some cash, but I don't know if 18 they currently are.</b> 19   Q   And do you have any idea how much cash 20 you would have expected them to generate when you 21 authorized their transfer as part of the insurance 22 policy premium? 23 <b>A   I don't know.</b> 24   Q   Anything else on Schedule A here? 25 Looking down, do you see any other assets that you	337	339 1   Vertical ABS CDO 2 and the 144A, you would have 2 all expected to generate cash? 3 <b>A   Yeah. I think that -- I think the 4 Vertical and the -- I think that the -- that looks 5 to be a repeat. It looks like it is 5 million, 6 but it was repeated twice. That's what it looks 7 like there, but --</b> 8    Q   Okay. 9 <b>A   But anyway --</b> 10   Q   But those entries are ones that you 11 would have expected to generate cash subsequent to 12 the transfer, right? 13 <b>A   Yeah. And then going back --</b> 14   Q   But, again, you have no idea how much 15 cash, correct? 16 <b>A   Yeah, going back above, I would say the 17 Stratford CLO also.</b> 18   Q   Okay. The Stratford CLO listed under 19 Highland CDO Holdings Company -- 20 <b>A   Yeah.</b> 21   Q   -- is another asset that you would have 22 expected to generate cash subsequent to the 23 transfer, correct? 24 <b>A   Yes.</b> 25   Q   And you don't know the amount?

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	340		342
1 <b>A   No.</b>		1   record.	
2    Q   And then in terms of the tax refund		2        (Time noted: 1:12 p.m.)	
3    receivable from Highland Capital, would you have		3        THE COURT REPORTER: Counsel, do you	
4    expected that to be paid in full?		4   want to keep the same order from the first	
5 <b>A   I have no awareness on the details on</b>		5   deposition of Mr. Dondero?	
6 <b>that.</b>		6        MR. CLUBOK: Yes, please.	
7    Q   And the dividends receivable from		7        MR. FEINSTEIN: Yes.	
8    Highland Capital in August of 2017, would you have		8        MR. TAYLOR: Yes.	
9    expected that to have been paid in full?		9	
10 <b>A   I have no awareness of the details on</b>	10		
11 <b>that.</b>	11		
12        MR. CLUBOK: Okay. That's all I have	12		
13   subject to Mr. Taylor's questions.	13		
14   EXAMINATION BY COUNSEL FOR NON-PARTY WITNESS	14		
15   BY MR. TAYLOR:	15		
16        Q   Jim, you're appearing here today	16		
17   pursuant to a subpoena that was issued to you,	17		
18   correct?	18		
19 <b>A   Yes.</b>	19		
20        Q   Are you -- you're not the plaintiff in	20		
21   this action, are you?	21		
22 <b>A   No.</b>	22		
23        Q   You're not a defendant in this action,	23		
24   are you?	24		
25 <b>A   No.</b>	25		
	341		343
1        Q   You're not a third-party defendant in		1	
2   this action, are you?		2        ACKNOWLEDGMENT OF DEPONENT	
3 <b>A   I don't believe so.</b>		3	
4        Q   In fact, you're not a party at all in		4        I, JAMES DONDERO, do hereby acknowledge	
5   this litigation, are you?		5   that I have read and examined the foregoing	
6 <b>A   No.</b>		6   testimony, and the same is a true, correct and	
7        Q   But for the subpoena, you would not		7   complete transcription of the testimony given by	
8   have appeared in this -- for this deposition,		8   me and any corrections appear on the attached	
9   correct?		9   Errata sheet signed by me.	
10 <b>A   Correct.</b>	10		
11        MR. TAYLOR: Okay. I have no further		11	
12   questions.		12        _____ (Date) _____ (Signature)	
13        MR. CLUBOK: Perfect. Neither do I.		13	
14   Thank you very much, Mr. Taylor. Looks like we		14	
15   got done just in the nick of time.		15	
16        THE VIDEOGRAPHER: Anything else before		16	
17   we close?		17	
18        MR. CLUBOK: Oh, I should ask, anything		18	
19   from Highland Capital?		19	
20        MR. FEINSTEIN: No, thank you.		20	
21        THE VIDEOGRAPHER: Anything else?		21	
22        MR. CLUBOK: Okay.		22	
23        THE VIDEOGRAPHER: Mr. Clubok?		23	
24        The time is 1:12. This concludes the		24	
25   deposition of James Dondero. We are off the		25	

Conducted on May 12, 2021

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2 CERTIFICATE OF REPORTER - NOTARY PUBLIC  
3 I, ADRIENNE MIGNANO, the officer before  
4 whom the foregoing deposition was taken, do hereby  
5 certify that the foregoing transcript is a true  
6 and correct record of the testimony given; that  
7 said testimony was taken by me and thereafter  
8 reduced to typewriting under my direction; that  
9 reading and signing was requested; and that I am  
10 neither counsel for, related to, nor employed by  
11 any of the parties to this case and have no  
12 interest, financial or otherwise, in its outcome.

13 IN WITNESS WHEREOF, I have hereunto set  
14 my hand and affixed my notarial seal this 18th day  
15 of MAY, 2021.

16 My Commission Expires: June 2022.

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